

WARWICKSHIRE POLICE AUTHORITY RISK MANAGEMENT POLICY

1 Introduction

Risk management is an integral part of good management and corporate governance. The effective identification and management of risk is key to making organisations successful in delivering their objectives whilst protecting the interests of their stakeholders.

Good risk management allows an organisation to:

- have increased confidence in achieving its desired outcomes
- constrain threats to acceptable levels
- take informed decisions about exploiting opportunities.

The Authority is committed to the introduction and implementation of a risk management framework to embed risk management within its culture and practices. The framework will determine the Authority's risk management strategy and the resources and processes to implement it effectively.

In developing this policy, the Authority has drawn heavily on guidance published by HM Treasury in The Orange Book (October 2004) and has sought to build on the experiences of other Police Authorities and similar organisations. In particular, Warwickshire County Council's Strategic Risk Manager has been of considerable help in preparing this policy and our risk management processes.

2. Purpose

Risk is defined as the combination of the probability of an event and its consequences. Risk management can be defined as the continuous process of planning, organising, leading and overseeing the activities of the Authority to manage risk and the potential opportunities and threats that flow from uncertainty. Risk management is not new; it is simply the formalisation of what is part of normal good working practices.

This policy is intended to ensure that:

- an effective risk management framework is in place to support the authority's objectives
- risk management is an integral part of our planning, governance and performance management activities
- risks are identified, assessed and managed to the best of our ability
- risk information is communicated effectively through a clear reporting structure and process
- responsibilities and accountabilities for risk management are clear.

3. Framework and Process

The framework and associated guidance are the subject of a separate guide to be read in conjunction with this policy statement. The guide also describes in detail the process and timetable for completion and review of risk assessments.

Key Steps

In summary, there are four key steps in the production of a risk register as follows:

Step	Description
Identification	The means by which threats and opportunities are identified and turned into manageable statements.
Assessment	Estimating the levels of likelihood and impact of the risks and opportunities and assessing which pose the greatest threat.
Management and Control	Developing and putting into place actions and control measures to treat or manage the risk.
Review and Reporting	Monitoring that the actions and control measures are appropriate, effective and still relevant, identifying changes in circumstances and environment and checking the effect on risk priorities. Reporting on progress to the Authority.

Categories of risk and action

The Authority's risks will be grouped into four levels. These levels of risk will be managed and reported as follows:

Assessed level of risk	Management	Reporting
Very High	Requires active management. <i>High impact/high likelihood: risk requires active management to manage down and maintain exposure at an acceptable level.</i>	Stream Leads to keep under constant review and to report quarterly to the Audit Committee.
High	Contingency Plans <i>A robust contingency plan may suffice together with early warning mechanisms to detect any deviation from profile.</i>	Stream Leads to review quarterly and to report six-monthly to the Audit Committee.
Medium	Good housekeeping <i>May require some risk mitigation to reduce likelihood if this can be done cost effectively, but good housekeeping to ensure the impact remains low should be adequate. Reassess frequently to ensure conditions remain the same.</i>	Stream Leads to review six-monthly and to report annually to the Audit Committee.
Low	Review periodically <i>Risks are unlikely to require mitigating actions but status should be reviewed frequently to ensure conditions have not changed.</i>	Stream Leads to review annually.

4. Roles, Responsibilities and Timescales

Key responsibilities are outlined below:

Body	Responsibility
Police Authority	Approving the risk register each year.
Audit Committee	Ensuring that a risk register is in place, assessing the level of risks, monitoring the development and effectiveness of control measures for the most serious risks and reviewing the register every year.
Stream Leads	Ensuring that Members within their streams contribute to the identification of risks and develop and monitor appropriate control measures.
Individual Members	Identifying risks associated with their business areas and reporting these through Stream Leads to the Audit Committee. Developing and implementing control measures as appropriate.

Timescales

April	Stream Leads and Risk Owners report on existing risks including the effectiveness and appropriateness of control measures, suggest new risks to be included in the register and risks that can be removed.
May/June	Senior Members and Audit Committee in workshop mode review existing risks and control measures and assessing new inherent risks.
June – August	Stream Leads and Risk Owners prepare new or amended control measures as required.
September	Senior Members and Audit Committee re-assess residual risks.
September/October	Police Authority approves risk register.

New Risks

While the Audit Committee is responsible for overseeing the process, risk management is the responsibility of every Member and officer. New risks or significant changes to existing risks should be reported to the appropriate Stream Leader at the earliest opportunity so that action can be taken to assess the level of risk and implement control measures as appropriate.

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